

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

T

WS-03449A

Water

THE SEDONA VENTURE WASTEWATER TREATMENT PLANT

41 MANUFACTURED HOME COMMUNITIES, INC

2 NORTH RIVERSIDE PLAZA, STE. 800

CHICAGO, IL 60606

RECEIVED

APR 13 2007

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

| | | |
|----|----|------|
| 12 | 31 | 2006 |
|----|----|------|

FOR COMMISSION USE

| | |
|--------|----|
| ANN 04 | 06 |
|--------|----|

PROCESSED BY:

5-807

SCANNED

COMPANY INFORMATION

| | | |
|---|-----------------------------|------------------------------------|
| EQUITY LIFESTYLE PROPERTIES, INC | | |
| Company Name (Business Name) DBA THE SEDONA VENTURE WATER COMPANY | | |
| Mailing Address 2 N. RIVERSIDE PLAZA | | |
| (Street) | | |
| CHICAGO | ILLINOIS | 60606 |
| (City) | (State) | (Zip) |
| (312) 279-1406 | (312) 279-1710 | N/A |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Email Address Hazel-Sales@mhchomes.com | | |
| Local Office Mailing Address SEDONA SHADOWS 6770 W. US HIGHWAY 89-A | | |
| (Street) | | |
| SEDONA | AZ | 86336 |
| (City) | (State) | (Zip) |
| (520) 282-1232 | (520) 282-0093 | N/A |
| Local Office Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Email Address N/A | | |

MANAGEMENT INFORMATION

| | | | | | |
|---|--|--|------------------------------------|--|--|
| Management Contact: RON BUNCE | | | REGIONAL VICE PRESIDENT | | |
| (Name) | | | (Title) | | |
| 7310 N. 16th ST. SUITE 105 PHOENIX | | | AZ 85020 | | |
| (Street) | | | (City) | | |
| (1602) 674-5690 | | | (602) 674-5699 | | |
| Telephone No. (Include Area Code) | | | Fax No. (Include Area Code) | | |
| N/A | | | N/A | | |
| Email Address | | | Pager/Cell No. (Include Area Code) | | |
| On Site Manager: LEN OTLEY | | | | | |
| (Name) | | | | | |
| 6770 W. US HIGHWAY 89-A SEDONA AZ 86336 | | | | | |
| (Street) | | | | | |
| (City) | | | | | |
| (State) | | | | | |
| (Zip) | | | | | |
| (520) 282-1232 | | | | | |
| (520) 282-0093 | | | | | |
| Telephone No. (Include Area Code) | | | | | |
| Fax No. (Include Area Code) | | | | | |
| Pager/Cell No. (Include Area Code) | | | | | |
| Email Address N/A | | | | | |

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

| | | | |
|---|-----------------------------|------------------------------------|------------------------------------|
| Statutory Agent: <u>THE PRENTICE HALL CORPORATION SYSTEM</u> | | | |
| (Name) | | | |
| <u>3636</u> | <u>N. CENTRAL AVE</u> | <u>PHOENIX</u> | <u>AZ</u> |
| (Street) | (City) | (State) | (Zip) |
| Telephone No. (Include Area Code) | | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) |
| Attorney: <u>DAVID FELL</u> | | | |
| (Name) | | | |
| <u>2 N. RIVERSIDE PLAZA</u> | <u>CHICAGO</u> | <u>IL</u> | <u>60606</u> |
| (Street) | (City) | (State) | (Zip) |
| <u>(312) 279-1052</u> | <u>(312) 279-1053</u> | <u>N/A</u> | |
| Telephone No. (Include Area Code) | Fax No. (Include Area Code) | Pager/Cell No. (Include Area Code) | |

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input checked="" type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|--------------|---|-----------------------|-------------------------------------|--------------------------|
| 301 | Organization | | | |
| 302 | Franchises | | | |
| 303 | Land and Land Rights | | | |
| 304 | Structures and Improvements | 30,772 | | |
| 307 | Wells and Springs | | | |
| 311 | Pumping Equipment | 138,170 | | |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | | | |
| 331 | Transmission and Distribution Mains | 160,993 | | |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 66,044 | | |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 4,980 | | |
| 340 | Office Furniture and Equipment | | | |
| 341 | Transportation Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | 3,472 | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 404,431 | 337,308 | 67,123 |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

| Acct. No. | DESCRIPTION | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|--------------|--|----------------------|-----------------------------------|----------------------------------|
| 301 | Organization | | 5/. | see |
| 302 | Franchises | | | attached |
| 303 | Land and Land Rights | | | schedule |
| 304 | Structures and Improvements | 30,772 | | |
| 307 | Wells and Springs | | | |
| 311 | Pumping Equipment | 130,170 | | |
| 320 | Water Treatment Equipment | | | |
| 330 | Distribution Reservoirs and Standpipes | | | |
| 331 | Transmission and Distribution Mains | 160,993 | | |
| 333 | Services | | | |
| 334 | Meters and Meter Installations | 66,044 | | |
| 335 | Hydrants | | | |
| 336 | Backflow Prevention Devices | | | |
| 339 | Other Plant and Misc. Equipment | 4,980 | | |
| 340 | Office Furniture and Equipment | | | |
| 341 | Transportation Equipment | | | |
| 343 | Tools, Shop and Garage Equipment | | | |
| 344 | Laboratory Equipment | | | |
| 345 | Power Operated Equipment | | | |
| 346 | Communication Equipment | | | |
| 347 | Miscellaneous Equipment | 3,472 | | |
| 348 | Other Tangible Plant | | | |
| | TOTALS | 404,431 | | 20,222 |

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

BALANCE SHEET

| Acct .No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | ASSETS | | |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | \$ 44,891 | \$ 55,926 |
| 134 | Working Funds | | |
| 135 | Temporary Cash Investments | | |
| 141 | Customer Accounts Receivable | 2,795 | 47 |
| 146 | Notes/Receivables from Associated Companies | | |
| 151 | Plant Material and Supplies | | |
| 162 | Prepayments | | |
| 174 | Miscellaneous Current and Accrued Assets | 5,084 | 4,939 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 52,770 | \$ 60,914 |
| | FIXED ASSETS | | |
| 101 | Utility Plant in Service | \$ 404,431 | \$ 404,431 |
| 103 | Property Held for Future Use | | |
| 105 | Construction Work in Progress | | |
| 108 | Accumulated Depreciation – Utility Plant | (317,086) | (337,308) |
| 121 | Non-Utility Property | | |
| 122 | Accumulated Depreciation – Non Utility | | |
| | TOTAL FIXED ASSETS | \$ 87,345 | \$ 67,123 |
| | TOTAL ASSETS | \$ 140,115 | \$ 128,037 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

BALANCE SHEET (CONTINUED)

| Acct. No. | | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|--------------|---|------------------------------------|------------------------------|
| | LIABILITIES | | |
| | CURRENT LIABILITIES | | |
| 231 | Accounts Payable | \$ | \$ |
| 232 | Notes Payable (Current Portion) | | |
| 234 | Notes/Accounts Payable to Associated Companies | | |
| 235 | Customer Deposits | 9813 | 9813 |
| 236 | Accrued Taxes | 70 | 54 |
| 237 | Accrued Interest | | |
| 241 | Miscellaneous Current and Accrued Liabilities | 10282 | 14641 |
| | TOTAL CURRENT LIABILITIES | \$ 20,165 | \$ 24,400 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ | \$ |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ | \$ |
| 252 | Advances in Aid of Construction | | |
| 255 | Accumulated Deferred Investment Tax Credits | | |
| 271 | Contributions in Aid of Construction | | |
| 272 | Less: Amortization of Contributions | | |
| 281 | Accumulated Deferred Income Tax | | |
| | TOTAL DEFERRED CREDITS | \$ | \$ |
| | TOTAL LIABILITIES | \$ 20,165 | \$ 24,400 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ | \$ |
| 211 | Paid in Capital in Excess of Par Value | | |
| 215 | Retained Earnings | | |
| 218 | Proprietary Capital (Sole Props and Partnerships) | | |
| | TOTAL CAPITAL | \$ 119,950 | \$ 103,037 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 140,115 | \$ 128,037 |

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|------------|--------------|
| 461 | Metered Water Revenue | \$ 89,514 | \$ 92,092 |
| 460 | Unmetered Water Revenue | | |
| 474 | Other Water Revenues | | |
| | TOTAL REVENUES | \$ 89,514 | \$ 92,092 |
| | | | |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ | \$ |
| 610 | Purchased Water | | |
| 615 | Purchased Power | 13,742 | 30,262 |
| 618 | Chemicals | | |
| 620 | Repairs and Maintenance | 7,439 | 7,782 |
| 621 | Office Supplies and Expense | 44 | |
| 630 | Outside Services | 119 | 643 |
| 635 | Water Testing | 25,284 | 30,317 |
| 641 | Rents | | |
| 650 | Transportation Expenses | 183 | |
| 657 | Insurance – General Liability | | 423 |
| 659 | Insurance - Health and Life | | |
| 666 | Regulatory Commission Expense – Rate Case | | 100 |
| 675 | Miscellaneous Expense | 23 | 25 |
| 403 | Depreciation Expense | 20,222 | 20,222 |
| 408 | Taxes Other Than Income | | |
| 408.11 | Property Taxes | 4,111 | 4,105 |
| 409 | Income Tax | | |
| | TOTAL OPERATING EXPENSES | \$ 71,167 | \$ 93,879 |
| | | | |
| | OPERATING INCOME/(LOSS) | \$ | \$ |
| | | | |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ | \$ |
| 421 | Non-Utility Income | | |
| 426 | Miscellaneous Non-Utility Expenses | 20 | |
| 427 | Interest Expense | | |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ 20 | \$ |
| | | | |
| | NET INCOME/(LOSS) | \$ 18,327 | \$ <1,787> |

COMPANY NAME SEDONA VENTURE WASTEWATER TREATMENT PLANT

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

N/A

| | LOAN #1 | LOAN #2 | LOAN #3 | LOAN #4 |
|------------------------|---------|---------|---------|---------|
| Date Issued | | | | |
| Source of Loan | | | | |
| ACC Decision No. | | | | |
| Reason for Loan | | | | |
| Dollar Amount Issued | \$ | \$ | \$ | \$ |
| Amount Outstanding | \$ | \$ | \$ | \$ |
| Date of Maturity | | | | |
| Interest Rate | % | % | % | % |
| Current Year Interest | \$ | \$ | \$ | \$ |
| Current Year Principle | \$ | \$ | \$ | \$ |

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

| | |
|----------------|---|
| COMPANY NAME | SEDONA VENTURE WASTEWATER TREATMENT PLANT |
| Name of System | ADEQ Public Water System Number (if applicable) |

WATER COMPANY PLANT DESCRIPTION

WELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|--------------|
| 55-605160 | 20 | 99 | 25' | 8" | 4" | 1972 |
| 55-207817 | 20 | 150 (APPROX) | 800' | 8" | 4" | 2006 |
| UNDEVELOPED | N/A | N/A | 10' | 8" | N/A | 1972 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|---------------------|----------------|--|
| N/A | | |
| | | |

| BOOSTER PUMPS | | FIRE HYDRANTS | |
|---------------|----------|-------------------|----------------|
| Horsepower | Quantity | Quantity Standard | Quantity Other |
| 7.5 | 3 | 19 | |
| | | | |
| | | | |
| | | | |

| STORAGE TANKS | | PRESSURE TANKS | |
|-----------------|----------|----------------|----------|
| Capacity | Quantity | Capacity | Quantity |
| 100,000 GALLONS | 1 | 5,000 GAL. | 1 |
| | | | |
| | | | |

Note: If you are filing for more than one system, please provide separate sheets for each system.

| | |
|----------------|---|
| COMPANY NAME | SEDDONA VENTURE WASTEWATER TREATMENT PLANT |
| Name of System | ADEQ Public Water System Number (if applicable) |

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2 | | |
| 3 | | |
| 4 | C 800 | 3,200 |
| 5 | | |
| 6 | C 800 | 15,000 |
| 8 | | |
| 10 | | |
| 12 | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

CUSTOMER METERS

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4 | 270 |
| 3/4 | |
| 1 | |
| 1 1/2 | |
| 2 | 1 |
| Comp. 3 | |
| Turbo 3 | |
| Comp. 4 | |
| Tubo 4 | |
| Comp. 6 | 1 |
| Tubo 6 | |
| | |
| | |
| | |

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

CHLORINATION (DISINFECTANT) VIA LIQUID BLEACH PUMPED
BY A CHEMICAL METERING PUMP.

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

| | |
|---|---|
| COMPANY NAME: SEDONA VENTURE WASTEWATER TREATMENT PLANT | |
| Name of System | ADEQ Public Water System Number (if applicable) |

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

| MONTH/YEAR | NUMBER OF CUSTOMERS | GALLONS SOLD (Thousands) | GALLONS PUMPED (Thousands) | GALLONS PURCHASED (Thousands) |
|------------|---------------------|-----------------------------|-------------------------------|----------------------------------|
| JANUARY | 272 | | 2,599,000 | |
| FEBRUARY | 272 | | 2,399,000 | |
| MARCH | 272 | | 2,636,000 | |
| APRIL | 272 | | 2,880,000 | |
| MAY | 272 | | 3,806,000 | |
| JUNE | 272 | | 3,999,000 | |
| JULY | 272 | | 3,484,000 | |
| AUGUST | 272 | | 3,239,000 | |
| SEPTEMBER | 272 | | 3,036,000 | |
| OCTOBER | 272 | | 2,760,000 | |
| NOVEMBER | 272 | | 2,607,000 | |
| DECEMBER | 272 | | 2,631,000 | |
| TOTALS → | | | 36,076,000 | 36,074,000 |

What is the level of arsenic for each well on your system? _____ mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes () No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME SEDONA VENTURE WASTEWATER YEAR ENDING 12/31/2006
TREATMENT PLANT

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 4105.07

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 13 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

| |
|--------------------------------|
| COUNTY OF (COUNTY NAME) |
| NAME (OWNER OR OFFICIAL) TITLE |
| COMPANY NAME |

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

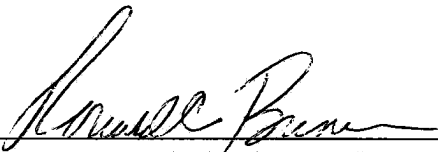
| | | |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12 | 31 | 2006 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

602-674-5690

TELEPHONE NUMBER

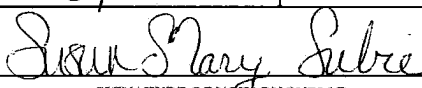
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th DAY OF

| | |
|-----------------------------|------|
| COUNTY NAME <u>Maricopa</u> | |
| MONTH <u>April</u> | 2007 |





SIGNATURE OF NOTARY PUBLIC

COMPANY NAME SEDONA VENTURE WASTEWATER YEAR ENDING 12/31/2006
TREATMENT PLANT
INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A
Estimated or Actual Federal Tax Liability N/A

State Taxable Income Reported N/A
Estimated or Actual State Tax Liability N/A

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A
Amount of Gross-Up Tax Collected N/A
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

APR 18 2007

**AZ CORP COMM
Director Utilities**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

NAME (OWNER OR OFFICIAL)

TITLE

COMPANY NAME

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

| MONTH | DAY | YEAR |
|-------|-----|------|
| 12 | 31 | 2006 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 92,092THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 0

IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Ronald A. Brown
SIGNATURE OF OWNER OR OFFICIAL
602-674-5690
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12th

DAY OF

(SEAL)



SUSAN MARY SUBIA
Notary Public, State of Arizona
Maricopa County
My Commission Expires
June 08, 2010

MY COMMISSION EXPIRES

June 8, 2010

| | |
|---|---------------------|
| NOTARY PUBLIC NAME <u>Susan Mary Subia</u> | |
| COUNTY NAME <u>Maricopa</u> | |
| MONTH <u>April</u> | YEAR <u>2007</u> |

x *Susan Mary Subia*
SIGNATURE OF NOTARY PUBLIC

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

0394596 01 AB 0.301 **AUTO T9 0 0784 60606-268200
|||||.....
MHC OPERATING LIMITED PARTNERSHIP
DBA THE SEDONA VENTURE WATER COMPANY
C/O TIM WILLIAMS
2 N RIVERSIDE PLAZA #800
CHICAGO IL 60606-2682

Make your check payable to and mail to:

To pay the 1st half installment, send the 1st half coupon with your
payment postmarked no later than Nov. 1, 2005. To pay the 2nd
half installment, send the 2nd half coupon with your payment post-
marked no later than May 1, 2006. To pay taxes for the full
year, send the 1st half coupon with your payment postmarked no
later than Dec. 31, 2005. Delinquent interest will be waived.

PAYMENT INSTRUCTIONS

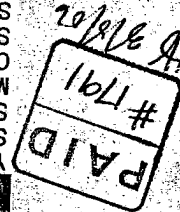
TOTALS 4,344.58 3,877.08 467.50

THIS IS A
CALENDAR YEAR
BILL

Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

This is the only notice you will receive.

Yavapai County
Sch Equalization
Sedona Unified SD9
Min Sch Tax SD#9
Community College
SD#9B1-Correpaymt
Sedona Fire Dist
Fire Dist Assist
Library District
Flood Control Dist
Valley Academy



TOTAL VALUE OF OPERATING PROPERTY

142904

| ASSESSMENT | VALUE IN DOLLARS | ASSESSMENT | ASSESSMENT | EXEMPTIONS | NET ASSESSED | NET ASSESSED | PRIMARY PROPERTY TAX | LESS STATE AID TO EDUCATION | NET PRIMARY PROPERTY TAX | SECONDARY PROPERTY TAX | SPECIAL DISTRICT TAX | TOTAL TAX DUE FOR 2005 | 2004 TAXES | 2005 TAXES | JURISDICTION | DIFFERENCE |
|---|------------------|------------|------------|------------|--------------|--------------|----------------------|-----------------------------|--------------------------|------------------------|----------------------|------------------------|------------|------------|----------------|------------|
| LIMITED | 196,000 | 25.0 | 49,000 | 0 | 49,000 | 49,000 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| FULL CASH | 196,000 | 25.0 | 49,000 | 0 | 49,000 | 49,000 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| PERSONAL PROPERTY | 181,087 | 25.0 | 45,272 | 0 | 45,272 | 45,272 | 1,607.86 | 0.00 | 1,607.86 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| LAND | 0 | 25.0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| BLDGs, ETC | 14,913 | 25.0 | 3,728 | 0 | 3,728 | 3,728 | 136.00 | 0.00 | 136.00 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| ASSESSMENT | 5.5851 | 0.970 | 3.4646 | 0.000 | 3.4646 | 3.4646 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| BOOK | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| MAP | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| PARCEL # | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| AREA | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| CODE | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| PRIMARY TAX RATE PER \$100 ASSESSED VALUE | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| SECONDARY TAX RATE PER \$100 ASSESSED VALUE | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| IRRIGATION DISTRICT \$ PER ACRE | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| 2005 TAX SUMMARY | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |
| ARIZONA | 948 | 20 | 6 | 0 | 6 | 6 | 2,736.72 | 0.00 | 2,736.72 | 0.00 | 0.00 | 4,344.58 | 110.56 | 833.40 | Yavapai County | 8.40 |

2005 PROPERTY TAX NOTICE

DETACH AND RETURN WITH PAYMENT

Payment in U.S. FUNDS ONLY
Make check payable to:
Ross D. Jacobs
Yavapai County Treasurer

TO PAY 2ND HALF PAY 2,172.29



*482097006

|||||.....
Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

2005 9482097006 2 000000054434000000 5005

2005 SECOND HALF PAYMENT COUPON

Due March 1, 2006
IC OPERATING LIMITED PARTNERSHIP
8 20 970 6 142904

Delinquency Date Second Half Payment
Penalty for late payment is 16% per year
Assessed monthly as of the 1st day of the month
All payments postmarked after 5:00 P.M.
May 1, 2006 (ARS 42-18052 and ARS 42-3053).

Henry
by check no

MANUFACTURED HOME COMMUNITIES INC.
DBA SEDONA VENTURE WATER & SEWER CO.

WATER

1791

Date 3-8-06

11-35/1210 CA

Pay to the
order of

Yavapai County Treasurer

\$ 2172.29

Two thousand one hundred seventy-two & 29/100

Dollars

Security features
are included.
Details on back.

Bank of America

San Francisco, California



For 05 2nd Installment Prop Tax

Joseph Lucas

660010 (781)

0001791 121000358 12333 10619

MANUFACTURED HOME COMMUNITIES INC.
DBA SEDONA VENTURE WATER & SEWER CO.

1792

Date 3-8-06

11-35/1210 CA

Pay to the
order of

Yavapai County Treasurer

\$ 4942.98

Four thousand nine hundred forty-two & 98/100

Dollars

Security features
are included.
Details on back.

Bank of America

San Francisco, California



For 05 2nd Installment Prop Tax

Joseph Lucas

660010 (781)

0001792 121000358 12333 10619

2006 FIRST HALF PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

Make check payable to:
Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

Payment in U.S. FUNDS ONLY

Due October 1, 2006

ELS, INC.

948-20-970 6 0150890

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. November 1, 2006** (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid **in full** using the first payment coupon, **no later than November 1, 2006 at 5:00 p.m.**

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than **Dec. 31, 2006**. Delinquent interest will be waived.

| | | |
|----------------------|-------|----------|
| TO PAY 1ST HALF ONLY | PAY ▶ | 1,932.78 |
| TO PAY FULL YEAR TAX | PAY ▶ | 3,865.56 |

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.



9482097006



Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

2006 9482097006 1 00000038655600000193278

**MANUFACTURED HOME COMMUNITIES INC.
DBA SEDONA VENTURE WATER & SEWER CO.**

1811

Pay to the
order of

Ross D. Jacobs - Yavapai County Treasurer

Date

9-28-06

11-35/1210 CA

\$ 1932.78

One thousand nine hundred thirty-two & 78/100 —

Dollars

Security features
are indicated.
Details on back**Bank of America**

San Francisco, California



For #948 20 970 6 1st installment
2006 Property Tax

Joseph Lucas

MP

⑈00181⑈ ⑆121000358⑆ 12333 10619⑈

66000 (100106)
781

2006 9482097006 2 000000386555000000193278

Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

9482097006



If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

Due March 1, 2007
948-20-970 6 0150890
Delinquency Date Second Half Payment
Penalty for late payment is 16% per year
credited monthly as of the 1st day of the
month for payments postmarked after 5:00
P.M. May 1, 2007 (ARS 42-18052 and ARS
42-18053).

1,932.78

TO PAY 2ND HALF
PAY
Prescott AZ 86305-1807
1015 Fair Street
Yavapai County Treasurer

2

Make check payable to:
Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807
Payment in U.S. FUNDS ONLY

DETACH AND RETURN WITH PAYMENT

2006 SECOND HALF PAYMENT COUPON

2006 PROPERTY TAX NOTICE

ARIZONA

| PARCEL # | AREA CODE | PRIMARY TAX RATE PER \$100 ASSESSED VALUE | SECONDARY TAX RATE PER \$100 ASSESSED VALUE | IRRIGATION DISTRICT \$ PER ACRE | 2006 TAX SUMMARY | |
|--------------|-----------|---|---|---------------------------------|-----------------------------|----------|
| 948-20-970 6 | 0970 | 4.9931 | 3.2812 | | PRIMARY PROPERTY TAX | 2,385.48 |
| | | | | | LESS STATE AID TO EDUCATION | 0.00 |
| | | | | | NET PRIMARY PROPERTY TAX | 2,385.48 |
| | | | | | SECONDARY PROPERTY TAX | 1,480.08 |
| | | | | | SPECIAL DISTRICT TAX | 0.00 |
| | | | | | TOTAL TAX DUE FOR 2006 | 3,865.56 |

| ASSESSMENT | VALUE IN DOLLARS | ASSTMT % | ASSESSED VALUE | EXEMPTIONS | TAX RATE | NET ASSESSED |
|---------------------------|------------------|----------|----------------|------------|----------|--------------|
| PRIMARY LAND, BLDGS, ETC | 14,837 | 24.5 | 3,635 | 0 | 4.9931 | 181.52 |
| PRIMARY PERSONAL PROPERTY | 180,163 | 24.5 | 44,140 | 0 | 4.9931 | 2,203.96 |
| PRIMARY TOTALS | 195,000 | | 47,775 | 0 | | 2,385.48 |
| SECONDARY LAND | 0 | 24.5 | 0 | 0 | 3.2812 | 0.00 |
| SECONDARY BLDGS, ETC | 14,837 | 24.5 | 3,635 | 0 | 3.2812 | 119.28 |
| SEC. PERSONAL PROPERTY | 180,163 | 24.5 | 44,140 | 0 | 3.0829 | 1,360.80 |
| SECONDARY TOTALS | 195,000 | | 47,775 | 0 | | 1,480.08 |

ACREAGE: 00
0150890
SITUS ADDRESS:
NULL
LEGAL DESCRIPTION:
TOTAL VALUE OF OPERATING PROPERTY
This is the only notice you will receive

| JURISDICTION | 2006 TAXES | 2005 TAXES |
|----------------------------|------------|------------|
| 02000 YAVAPAI COUNTY | 790.79 | 833.40 |
| 07009 SEDONA OAK CREEK SD | 1,241.45 | 1,334.88 |
| 07993 SEDONA-OAK CRK #9 MI | 82.89 | 102.22 |
| 08150 COMMUNITY COLLEGE | 791.78 | 858.18 |
| 11208 SEDONA FD | 836.06 | 857.50 |
| 11900 FIRE DISTRICT ASSIST | 42.76 | 47.23 |
| 14900 YAVAPAI COUNTY LIBRA | 48.73 | 53.22 |
| 15001 YAVAPAI FLOOD CONTRO | 7.21 | 7.40 |
| 30000 VALLEY ACADEMY EDUCA | 23.89 | 29.65 |
| 02001 STATE SCHOOL TAX EQU | 0.00 | 213.55 |
| 10010 SD #9 BI-COUNTY TAX | 0.00 | 7.35 |

TOTALS 3,865.56 4,344.58

Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

THIS IS A
CALENDAR YEAR
TAX NOTICE

6260 SEP 27 2006

948-20-970 6

0070599 01 MB 0.326 **AUTO T7 0 0796 60606-268200



ELS, INC.
DBA THE SEDONA VENTURE WATER COMPANY
2 N RIVERSIDE PLAZA #800
CHICAGO IL 60606-2682

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2006. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2007. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2006. Delinquent interest will be waived.

Make your check payable to and mail to:

Ross D. Jacobs
Yavapai County Treasurer
1015 Fair Street
Prescott AZ 86305-1807

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

DETACH AND RETURN WITH PAYMENT

Make check payable to:

Payment in U.S. FUNDS ONLY

Structures

| | |
|--------------------------|------------------------------|
| (Building, Fences, etc.) | 20'x14' laboratory/office |
| | 330'x5 1/2' chain link fence |

OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)

Laboratory Equipment:

- Grieve Laboratory Oven
- Acculab Scale
- Nova Microscope
- Hach Colorimeter
- Fisher Scientific Centrifuge
- Gast Vacuum Pump
- Hach Dissolved Oxygen Meter

Verbatim Auto Dialer

Isco Ultrasonic Flow Meter

Portable Generator

Gould 2 HP submersible portable pump

EBARA 2 HP 3 phase spare Waste Pump

Teel 2 HP 1 phase Spare Transfer Pump

Teel 3/4 HP pump/motor

Teel 2 HP 1 phase spare Backwash Pump

.5 HP submersible portable pump

Two passenger Golf Cart

Rate Base Changes

In an attempt to update the filings of the Sedona Venture to match the most recent decision by the Arizona Corporation Commission, MHC is adopting the adjustments and carrying forward the report design congruent with information provided by Mobile Parks West. In any instance that information was not available or incomplete due to the sale of the utility, appropriate ratios have been applied consistent with previous filings and decisions.

According to Decision #59587 on March 26, 1996, the Arizona Corporation Commission has agreed with the following adjustments which were recommended by the December 1995 staff report.

(Note: Decision #59587 was reported for FY ending 5/31/95)

Water

| | | | |
|------------|---|------------|------------|
| 05/31/1995 | Plant in Service | 257,827.00 | |
| | Depreciation at 5% (5/12) | 5,371.40 | |
| | Total Accumulated Depreciation | | 128,475.00 |
| | Plant Additions | | |
| | 11/21/1995 MPW - Well Pump | 7,977.00 | |
| 12/31/1995 | 12/21/1995 MPW - Phase Converter | 7,688.00 | |
| | Plant in Service | 273,492.00 | |
| | Depreciation at 5% (7/12) | 7,976.85 | |
| | Total Accumulated Depreciation | | 136,451.85 |
| 12/31/1996 | Plant Additions | | |
| | 03/21/1996 MPW - Alarm Monitoring System | 2,077.00 | |
| | 08/14/1996 MPW - Water Line at Bridge | 7,000.00 | |
| | Plant in Service | 282,569.00 | |
| | Depreciation at 5% | 14,128.45 | |
| 12/31/1997 | Total Accumulated Depreciation | | 150,580.30 |
| | Plant Additions | | |
| | 06/01/1997 MPW - Water Meters | 43,816.00 | |
| | Plant in Service | 326,385.00 | |
| | Depreciation at 5% | 16,319.25 | |
| 12/31/1998 | Total Accumulated Depreciation | | 166,899.55 |
| | Plant Additions | | |
| | 12/05/1998 Well Valve 772010 | 1,447.46 | |
| | Plant in Service | 326,385.00 | |
| | Depreciation at 5% | 16,319.25 | |
| 12/31/1999 | Plant additions - 1998 | 1,447.46 | |
| | Depreciation at 2.5% - half-year convention | 36.19 | |
| | Total 1998 Depreciation | 16,355.44 | |
| | Total Accumulated Depreciation | | 183,254.99 |
| 12/31/1999 | Plant Additions | | |
| | 334 12/25/1999 Flow meter | 802.36 | |
| | Plant in Service | 327,832.46 | |
| | Depreciation at 5% | 16,391.62 | |
| | Plant additions - 1999 | 802.36 | |
| 310 | Depreciation at 2.5% - half-year convention | 20.06 | |
| | Total 1999 Depreciation | 16,411.68 | |
| | Total Accumulated Depreciation | | 199,666.67 |
| | Plant Additions | | |
| | 310 03/30/2000 new generator at well | 35,179.93 | |
| 334 | 10/25/2000 meters & accessories | 319.63 | |

| | | | |
|-----------------|---|------------------|------------|
| 12/31/2000 | Plant in Service | 328,634.82 | |
| | Depreciation at 5% | 16,431.74 | |
| | Plant additions - 2000 | 35,499.56 | |
| | Depreciation at 2.5% - half year convention | 887.49 | |
| | Total 2000 depreciation | <u>17,319.23</u> | |
| | Total Accumulated Depreciation | | 216,985.90 |
| Plant Additions | | | |
| 304 | 08/21/2001 structures & improvements | 30,772.00 | |
| 311 | 05/14/2001 pump equipment | 1,616.24 | |
| 334 | 06/20/2001 meters & accessories | 3,679.21 | |
| 339 | 07/25/2001 other plant & misc. equipment | 4,229.64 | |
| 12/31/2001 | Plant in Service | 364,134.38 | |
| | Depreciation at 5% | 18,206.72 | |
| | Plant additions - 2001 | 40,297.09 | |
| | Depreciation at 2.5% - half year convention | 1,007.43 | |
| | Total 2001 depreciation | <u>19,214.15</u> | |
| | Total Accumulated Depreciation | | 236,200.04 |
| Plant Additions | | | |
| 12/31/2002 | Plant in Service | 404,431.47 | |
| | Depreciation at 5% | 20,221.57 | |
| | Plant additions - 2002 | - | |
| | Depreciation at 2.5% - half year convention | - | |
| | Total 2002 depreciation | <u>20,221.57</u> | |
| | Total Accumulated Depreciation | | 256,421.62 |
| Plant Additions | | | |
| 12/31/2003 | Plant in Service | 404,431.47 | |
| | Depreciation at 5% | 20,221.57 | |
| | Plant additions - 2003 | - | |
| | Depreciation at 2.5% - half year convention | - | |
| | Total 2003 depreciation | <u>20,221.57</u> | |
| | Total Accumulated Depreciation | | 276,643.19 |
| Plant Additions | | | |
| 12/31/2004 | Plant in Service | 404,431.47 | |
| | Depreciation at 5% | 20,221.57 | |
| | Plant additions - 2004 | - | |
| | Depreciation at 2.5% - half year convention | - | |
| | Total 2004 depreciation | <u>20,221.57</u> | |
| | Total Accumulated Depreciation | | 296,864.77 |
| Plant Additions | | | |
| 12/31/2005 | Plant in Service | 404,431.47 | |
| | Depreciation at 5% | 20,221.57 | |
| | Plant additions - 2004 | - | |
| | Depreciation at 2.5% - half year convention | - | |
| | Total 2004 depreciation | <u>20,221.57</u> | |
| | Total Accumulated Depreciation | | 317,086.34 |

Plant Additions

12/31/2006

Plant in Service

404,431.47

✓

Depreciation at 5%

20,221.57

✓

Plant additions - 2004

Depreciation at 2.5% - half year convention

-

Total 2004 depreciation

20,221.57

Total Accumulated Depreciation

337,307.91

✓